

July 17, 2013

Item No. 12

AUTHORIZATION TO EXECUTE A PRELIMINARY COMMITMENT LETTER FOR VARIOUS PRA APPLICATIONS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") approve the attached Resolution authorizing the Chief Executive Officer or his designee to execute a preliminary commitment for the following PRA applications:

- A. Casa Nayarit
- B. Home First Phase II
- C. Access Housing
- D. Humboldt Park Veterans Housing
- E. Milwaukee Avenue Apts.
- F. Sankofa House

CORPORATE GOAL

The purpose of this resolution is to execute preliminary letters of commitment for PRA Housing Assistance Payment Contracts for 130 units detailed below. These preliminary letters of commitment will be valid for one year in order to allow the developers to secure development and construction financing from other sources. Once all financing is secured, the full development plans will be submitted to CHA Board prior to execution of any contract.

FUNDING: Housing Choice Voucher Program ("HCV")

PROPERTY SUMMARY

Development Name	Community / Ward/Ald.	Developer / Owner	Target Population	PRA Units	Total Units
Casa Nayarit	New City; 15 th ; Toni Foulkes	The Resurrection Project	Working Families	13	40
Home First Phase II	TBD/Opportunity Areas	Home First Illinois/IFF	Deinstitutionalization	25	TBD
Access Housing	West Town & Logan Square	Home First Illinois/IFF	Deinstitutionalization	57	76
Humboldt Park Veterans Housing	Humboldt Park; 26 th ; R. Maldonado	Hispanic Housing Development Corporation	Veteran Families	16	48
Milwaukee Ave. Apartments	Avondale; 30 th ; A. Reboyras	Full Circle Communities	ADA Families	11	32
Sankofa Village	West Pullman; 34 th ; C. Austin	Full Circle Communities	Intergenerational Families	8	46

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Proposed Initial Max Contract	Total Max Contract	Application Received
Casa Nayarit	HCV Program	30 Years	AHAP/HAP	\$138,540/year	\$4,156,200	March, 2013
Home First Phase II	HCV Program	30 Years	AHAP/HAP	Rents will be set at area FMR	TBD as units are identified	May, 2013
Access Housing	HCV Program	30 Years	AHAP/HAP	Rents will be set at area FMR	TBD as units are identified	February, 2013
Humboldt Park Veterans Housing	HCV Program	30 Years	AHAP/HAP	\$172,608/year	\$5,178,240	March, 2013
Milwaukee Ave. Apartments	HCV Program	30 Years	AHAP/HAP	\$129,936/year	\$3,898,080	February, 2013
Sankofa Village	HCV Program	30 Years	AHAP/HAP	\$151,839/year	\$2,818,800	February, 2013

BACKGROUND

1. Casa Nayarit

Proposed Development

- New Construction of a 4-story elevator building in New City containing 40 total units. The bedroom (BR) mix of the building consists of 15 one-BR, 21 two-BR and 4 three-BR units. The PRA unit mix will be 5 one-BR, 7 two-BR and 1 three-BR units.

Developer Background

- The Resurrection Project (TRP), a non-profit community development corporation, was founded in 1990 by 6 parishes in the Pilsen neighborhood.
- TRP has developed over 400 units of affordable rental housing and built 144 new homes for sale in Pilsen and Little Village under the New Homes for Chicago Program.

2. Home First II

Proposed Development

- Home First Illinois (HFI)/IFF received state funds to acquire 200 condominiums in Chicago over multi-phases to retrofit for wheelchair users being transitioned out of nursing homes.
- Phase I, Stage 1 consisted of 10 units in 4 Condo buildings was approved by the CHA Board in August, 2012 and Stage 2, which also consisted of 10 PRA units in 6 Condo buildings, was approved by the CHA Board in May, 2013.

- Phase II will consist of 25 additional Condo units, one of which is now under a purchase contract. As in Phase I Stages 1 & 2, when multiple units have been identified and secured with purchase contracts, HFI will submit supplemental PRA applications for CHA Board approval of those specific units.

Developer Background

- HFI, a subsidiary of IFF was created to develop and own supportive housing for very low-income people with physical disabilities.
- HFI received \$5 million in Build Illinois Bond funds from IHDA in 2011 to develop accessible housing for households referred through Money Follows the Person (MFP) program.
- All 20 units in Phase I have been acquired and are in the retrofit or leasing process under the PRA HAP Contract. IHDA has committed an additional \$10 M to HFI to acquire 25 more units under PRA in Chicago and 25 units in Cook County.

3. Access Housing

Proposed Development

- Home First Illinois (HFI)/IFF will build new units on scattered city lots and acquire and rehab scattered foreclosed bank-owned (REO) properties in West Town and Logan Square.
- HFI's goal is to develop 76 units of housing, 57 under PRA for people with physical disabilities and 19 of which will receive rental subsidy from the State of Illinois Department of Mental Health.
- HFI plans to acquire and rehab 19 REO two, three & four-flat buildings and construct new units on 6 vacant parcels. As in Phase I Stages 1 & 2 of HFI's developments, when multiple units have been identified and secured with purchase contracts or the vacant lots have been acquired, HFI will submit supplemental PRA applications for CHA Board approval of those specific units.

Developer Background

- See Home First Phase II above.

4. Humboldt Park Veterans Housing

Proposed Development

- New Construction of a 5-story elevator building in Humboldt Park containing 48 total units. The bedroom (BR) mix of the building consists of 24 one-BR, 12 two-BR and 12 three-BR units. The PRA unit mix will be 8 one-BR, 4 two-BR and 4 three-BR units.

Developer Background

- Hispanic Housing Development Corporation. (HHDC), established in 1976 to create and manage affordable housing, has developed and currently owns over 2,600 units in 32 properties in Chicago.

5. Milwaukee Avenue Apartments

Proposed Development

- New construction of a 4-story elevator building in the Avondale community containing 32 total units. The bedroom (BR) mix of the building consists of 24 one-BR and 7 two-BR units. The PRA unit mix will be 9 one-BR and 2 two-BR units.
- The units will be barrier-free and contain features to fully accommodate severely disabled people including hearing and visually impaired.

Developer Background

- Full Circle Communities, Inc. (Full Circle) is a not-for-profit corporation whose mission is to create and preserve affordable housing and provides services to the residents.
- Full Circle developed and owns over 300 units in Chicago and Florida.

6. Sankofa Village

Proposed Development

- New construction of a 4-story elevator building in the West Pullman community containing 46 total units. The bedroom (BR) mix of the building consists of 7 one-BR; 31 two-BR and 8 three-BR units. The PRA unit mix will be 1 one-BR, 5 two-BR and 2 three-BR units.

Developer Background

- See Milwaukee Ave. Apartments above.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute a preliminary commitment letter for Casa Nayarit, Home First Phase II, Access Housing, Humboldt Park Veterans Housing, Milwaukee Avenue Apartments and Sankofa Village.

The CEO/President recommends the approval to execute a preliminary commitment letter for Casa Nayarit, Home First Phase II, Access Housing, Humboldt Park Veterans Housing, Milwaukee Avenue Apartments and Sankofa Village.

RESOLUTION 2013-CHA-59

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated July 17, 2013 requesting authorization to execute a preliminary commitment letter valid for 1 year for PRA assistance at Casa Nayarit, Home First Phase II, Access Housing, Humboldt Park Veterans Housing, Milwaukee Avenue Apartments and Sankofa Village;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a preliminary commitment letter valid for 1 year for PRA assistance at Casa Nayarit, Home First Phase II, Access Housing, Humboldt Park Veterans Housing, Milwaukee Avenue Apartments and Sankofa Village;



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